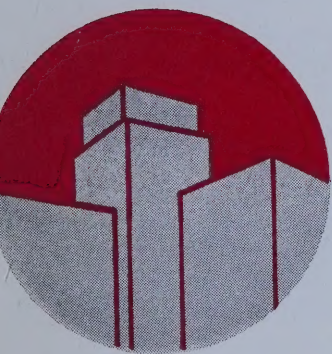


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GENERAL MORTGAGE CORPORATION OF CANADA

Head Office: 8 King Street East, Toronto 1, Canada

# Annual Report

Nineteen Sixty-nine



## ***Report to the Shareholders***

Your Board of Directors submits herewith the financial statements of the Corporation for the year ended December 31, 1969.

The net income for the year of \$72,690 compares with \$72,488 of the previous year. The net income amounted to 64¢ per fully paid share and 13¢ per 20% paid share in both years.

The Corporation's mortgage portfolios showed a net decrease during the year of \$457,820 to \$6,085,199 while bank loans and bonds outstanding were reduced by \$565,500 to \$4,876,100.

The mortgage portfolio is in excellent condition and the mortgage reserves of \$85,000 should prove to be more than adequate.

In 1969 interest rates on mortgages increased to historic heights. As a result, the average yield on the Corporation's General Fund mortgages increased to 9.37% in 1969 from 8.96% in 1968 and on the B Fund mortgages to 9.40% in 1969 from 9.12% in 1968. The mortgages in Fund A yield 6.5% and mature principally in 1987 and 1988.

The following sets out the investment in the General and B Fund mortgages as at December 31, 1969 by the years in which such mortgages mature:

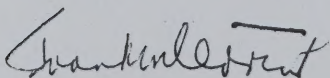
1970	\$675,920	1973	\$354,560	1976	\$ 36,159
1971	112,785	1974	704,597	1977	736,511
1972	794,904	1975	526,142	Total	\$3,941,578

Of the 317 mortgages outstanding at December 31, 1969, 272 were for single family dwellings, 11 were for multiple dwellings and 34 were for commercial and industrial properties. The average loan is, therefore, approximately \$19,200.

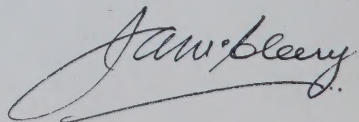
Your directors are constantly reviewing possibilities of obtaining long term financing to enable the Corporation to take advantage of the opportunities existing in the field in which it operates.

The past year has been an exacting one and we wish to take this opportunity to thank all those who assisted in achieving the results obtained.

On behalf of the board.



Chairman of the Board



President

Toronto, January 23, 1970.

# General Mortgage Corporation of Canada

## STATEMENT OF INCOME

Year ended December 31, 1969  
(with comparative figures for 1968)

	<u>1969</u>	<u>1968</u>
Revenue		
Interest earned on mortgages . . . . .	\$557,870	\$584,581
Investigation and service fees earned . . . . .	22,057	6,660
Investment income . . . . .	15,675	15,673
	<u>595,602</u>	<u>606,914</u>
Expenses		
Bank and bond interest . . . . .	409,324	416,144
Amortization of bond discounts . . . . .	1,850	3,580
Salaries, pension fund payments and other staff benefits . . . . .	39,791	43,110
All other operating expenses including depreciation of \$662 (\$774 in 1968) . . . . .	25,889	23,563
	<u>476,854</u>	<u>486,397</u>
Income before income taxes . . . . .	<u>118,748</u>	<u>120,517</u>
Income taxes		
Current . . . . .	51,700	36,500
Deferred . . . . .	(5,642)	11,529
	<u>46,058</u>	<u>48,029</u>
Net income for the year . . . . .	<u>\$ 72,690</u>	<u>\$ 72,488</u>
Net income per fully paid share . . . . .	.64	.64
Net income per 20% paid share . . . . .	.13	.13

## STATEMENT OF UNAPPROPRIATED PROFITS

Year ended December 31, 1969  
(with comparative figures for 1968)

	<u>1969</u>	<u>1968</u>
Unappropriated profits at beginning of year . . . . .	\$168,952	\$103,172
Adjustment for deferred income taxes . . . . .		(6,708)
Unappropriated profits at beginning of year after adjustment for deferred income taxes . . . . .	168,952	96,464
Net income for the year . . . . .	72,690	72,488
Unappropriated profits at end of year . . . . .	<u>\$241,642</u>	<u>\$168,952</u>



# General Mortgage

(Incorporated by Special Act of

## BALANCE SHEET -

(with comparative figures)

### ASSETS

	1969	1968
<b>GENERAL FUND</b>		
Cash . . . . .	\$ 7,416	\$ 10,114
Bank deposit receipt . . . . .	30,000	25,000
Investment in preferred stocks, at cost (values provided by Department of Insurance 1969 \$243,675; 1968 \$260,675) (note 1) . . . . .	294,259	294,259
Mortgages receivable, less reserve . . . . .	1,181,619	1,113,578
Office equipment, at cost less accumulated depreciation . . . . .	2,647	3,310
Unamortized bond discounts . . . . .	6,314	13,917
Prepaid expenses . . . . .	374	5,001
	<u>1,522,629</u>	<u>1,465,179</u>
<b>MORTGAGE FUND A</b>		
Cash . . . . .	4,299	14,307
Mortgages receivable, issued under the National Housing Act . . . . .	2,143,621	2,262,658
	<u>2,147,920</u>	<u>2,276,965</u>
<b>MORTGAGE FUND B</b>		
Cash . . . . .	20,301	33,051
Mortgages receivable, less reserve . . . . .	2,759,959	3,166,783
	<u>2,780,260</u>	<u>3,199,834</u>
	<u>\$6,450,809</u>	<u>\$6,941,978</u>

We hereby certify that to the best of our knowledge and belief the foregoing balance sheet is correct and shows truly and clearly the financial condition of the corporation's affairs.

JOHN A. McCLEERY, C.A., President L. HENDERSON, Vice-President and Secretary GEORGE M. WILSON, Treasurer	}	Directors
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# Corporation of Canada

(Incorporated under the laws of Canada)

December 31, 1969

(at December 31, 1968)

LIABILITIES		1969	1968
GENERAL FUND			
Liabilities			
Accounts payable and accrued liabilities	\$	14,367	\$ 32,584
Income taxes payable		20,441	11,822
		<u>34,808</u>	<u>44,406</u>
Deferred income taxes		<u>12,595</u>	<u>18,237</u>
Capital stock			
Authorized			
1,000,000 shares, par value			
\$10 per share			
Issued			
64,158 shares, fully paid		641,580	641,580
246,002 shares, 20% paid		492,004	492,004
		<u>1,133,584</u>	<u>1,133,584</u>
Reserve fund		100,000	100,000
Unappropriated profits		241,642	168,952
		<u>1,475,226</u>	<u>1,402,536</u>
		<u>1,522,629</u>	<u>1,465,179</u>
MORTGAGE FUND A			
Bank loans, secured by Series A bonds, payable			
on demand		2,131,000	2,275,000
Accrued interest		16,920	1,965
		<u>2,147,920</u>	<u>2,276,965</u>
MORTGAGE FUND B			
Bank loans, secured by Series B bonds, payable			
on demand		1,267,500	1,621,000
Series B bonds (note 2)		1,477,600	1,545,600
Accrued interest and expenses		35,160	33,234
		<u>2,780,260</u>	<u>3,199,834</u>
		<u>\$6,450,809</u>	<u>\$6,941,978</u>

## AUDITORS' REPORT

To the Shareholders of  
General Mortgage Corporation of Canada

We have examined the balance sheet of General Mortgage Corporation of Canada as at December 31, 1969 and the statements of income and unappropriated profits for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the corporation, these financial statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the corporation as at December 31, 1969 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,  
January 15, 1970.

THORNE, GUNN, HELLIWELL & CHRISTENSON,  
Chartered Accountants.

# General Mortgage Corporation of Canada

## NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 1969

### 1. INVESTMENT IN PREFERRED STOCKS

No provision for decline in value of the investment in preferred stocks has been made. The company considers that this decline is temporary and that no provision is necessary as it is not the company's intention to currently dispose of these securities.

### 2. SERIES B BONDS, MORTGAGE FUND B

Bonds mature as follows:

	1969	1968
1969 .....		\$ 69,400
1970 .....	\$ 91,600	85,700
1971 .....	59,500	56,600
1972 .....	257,000	255,400
1973 .....	1,051,000	1,078,500
1974 .....	18,500	
	<u>\$1,477,600</u>	<u>\$1,545,600</u>

*The following services are available through*

## General Mortgage Corporation of Canada

who will . . .

- lend money on first mortgage loans
- purchase first mortgage loans
- provide interim financing for builders' projects
- manage mortgage investments at minimum management fees
- provide information on deferred capital financing to anyone with financing problems

General Mortgage issues to investors short, intermediate and long term Guaranteed Investment Bonds bearing attractive interest rates.

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General Mortgage Corporation of Canada is a  
Member of The Canada Deposit Insurance Corporation



**Officers . . . . .** Frank M. Covert, O.B.E., D.F.C., Q.C.  
Chairman of the Board

John A. McCleery, C.A.  
President

L. Henderson  
Vice-President & Secretary

C. J. Whitney, Q.C., B.C.L.  
General Counsel

George M. Wilson  
Treasurer

Grant Horsey, B. Comm.  
Asst. Treasurer

**Directors . . . . .** Frank M. Covert, O.B.E., D.F.C., Q.C.  
Halifax, Nova Scotia

L. Henderson  
Cooksville, Ontario

Grant Horsey, B. Comm.  
Toronto, Ontario

John A. McCleery, C.A.  
Toronto, Ontario

John H. Norris  
Montreal, Quebec

Jacques Roy  
Montreal, Quebec

C. J. Whitney, Q.C., B.C.L.  
Waterloo, Ontario

George M. Wilson  
Toronto, Ontario

**Bankers . . . . .** Canadian Imperial Bank of Commerce  
Bank of Montreal  
The Royal Bank of Canada  
The Toronto-Dominion Bank

